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# United States Senate

COMMITTEE ON THE BUDGET

WASHINGTON, DC 20510-6100

TELEPHONE: (202) 224-0642

DAN DUDIS, MAJORITY STAFF DIRECTOR  
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February 28, 2023

Phillip L. Swagel  
 Director  
 Congressional Budget Office  
 U.S. Congress  
 Washington, D.C. 20515

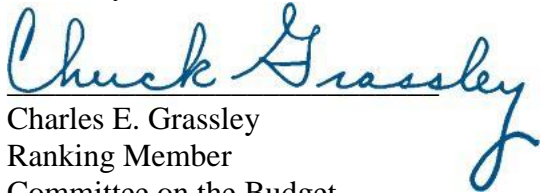
Dear Director Swagel,

We appreciate the Congressional Budget Office (CBO) producing *Budget Spotlights* on the Army Corps of Engineers<sup>1</sup> and FEMA's Disaster Relief Fund<sup>2</sup>, among others. This information has given Congress and the public a better understanding of the budgetary history and projections of government programs. We request you continue this effort and specifically produce *Budget Spotlights* on the Medicare Improvement Fund and Medicaid Improvement Fund. Both improvement funds have been used by Congress as budget mechanisms to fund programs rather than deficit reduction.

The Medicare Improvement Fund<sup>3</sup> and the Medicaid Improvement Fund<sup>4</sup> were established in 2008. The funds sought to give the Department of Health and Human Services (HHS) Secretary the ability to make improvements to the programs. Neither fund has been used as intended under their respective statutes, but the statutes have been amended a combined 43 times.<sup>5</sup> Congress has deposited over \$137.8 billion in budgetary savings temporarily followed by spending of these funds to offset new spending instead of deficit reduction. It is puzzling that 15 year old improvement funds have been utilized, but not as they were intended. The budgetary practices of these funds deserves sunshine.

In order to better inform the 118<sup>th</sup> Congress on budgetary best practices, we request CBO produce by April 17, 2023, *Budget Spotlights* to provide the budgetary history and projections of the Medicare Improvement Fund and Medicaid Improvement Fund. Sunshine on these items will provide a better understanding of these budgetary practices and their implications to taxpayers. We appreciate the consideration of these requests.

Sincerely,

  
 Charles E. Grassley  
 Ranking Member  
 Committee on the Budget

  
 Mike Braun  
 Ranking Member  
 Special Committee on Aging

<sup>1</sup> Congressional Budget Office, Budget Spotlight, "Army Corps of Engineers: Budgetary History and Projections," November 2022, <https://www.cbo.gov/system/files/2022-11/58415-Army-Corps-of-Engineers.pdf>.

<sup>2</sup> Congressional Budget Office, Budget Spotlight, "FEMA's Disaster Relief Fund: Budgetary History and Projections," November 2022, <https://www.cbo.gov/system/files/2022-11/58420-FEMA-DRF.pdf>.

<sup>3</sup> 42 U.S. Code 1395iii; For Medicare, "to make improvements under the original fee-for-service program under parts A and B for individuals entitled to, or enrolled for, benefits under part A or enrolled under part B."

<sup>4</sup> 42 U.S. Code 396w-1; For Medicaid, to "improve the management of the Medicaid program by the Centers for Medicare & Medicaid Services, including oversight of contracts and contractors and evaluation of demonstration projects."

<sup>5</sup> U.S. Congressional Research Service, "Public Laws Establishing or Amending Improvement Funds," February 13, 2023.